

Message Text

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43

ACTION ARA-10

INFO OCT-01 ISO-00 L-03 EB-07 COME-00 TRSE-00 SEC-01

JUSE-00 OMB-01 FTC-01 ARAE-00 CIAE-00 INR-07 NSAE-00

PM-04 NSC-05 SP-02 SS-15 DODE-00 PA-01 USIA-06 PRS-01

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P R 131630Z OCT 76

FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC PRIORITY 8292

INFO AMCONSUL RIO DE JANEIRO

AMCONSUL SAO PAULO

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E.O. 11652: N/A

TAGS: EINV, EAIR, PFOR, BR

SUBJ: ALLEGED LOCKHEED ILLICIT PAYMENTS IN BRAZIL

REF: (A) BRASILIA 8679, (B) STATE 251304, (C) BRASILIA 8655,
(D) BRASILIA 8615

1. SUMMARY. BRAZILIAN PRESS REPORTS THAT LOCKHEED'S AGENT IN BRAZIL RECEIVED DOLS 940,000 AS A COMMISSION ON C-130 SALE. AGENT CLAIMS HE RECEIVED ONLY PART OF THIS SUM. ONE PRESS REPORT CLAIMS STATE DEPT. SOURCE SAID SECRETARY RICHARDSON AND FONMIN SILVEIRA "COULD HAVE" DISCUSSED THE "LOCKHEED CASE". EMBASSY REQUESTS ANY INFORMATION AVAILABLE ON THESE FURTHER RUMORS AND REPORTS. END SUMMARY.

2. BRAZILIAN PRESS OVER THE LONG WEEKEND REPORTED ONE NEW DEVELOPMENT ON THE QUESTION OF ALLEGED LOCKHEED ILLICIT PAYMENTS IN BRAZIL. ACCORDING TO VARYING REPORTS, COMPUTERS AT THE STATE DEPT. ("JORNAL DE BRASILIA" VERSION BASED ON REPORT BY PEDRO REDIG DE CAMPOS), OR AT THE AUDITING FIRM OF ARTHUR YOUNG AND CO. ("VEJA" STORY BASED ON ROBERTO GARCIA), REVEALED

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THAT LOCKHEED PAID ITS AGENT IN BRAZIL, RETIRED BRIGADEIRO

BOTELHO, THE SUM OF DOLS 940,000 IN CONNECTION WITH THE SALE OF 5 C-130 AIRCRAFT COSTING DOLS 27.5 MILLION. ACCORDING TO "VEJA", BOTELHO CLAIMED: "THIS IS ENTIRELY FALSE. I AM NOT GOING TO REVEAL, AS A QUESTION OF ETHICS, WHAT FELL TO ME. I CAN SAY ONLY THAT I DID NOT RECEIVE THIS SUM -- MY COMMISSION IS MUCH BELOW THIS." ACCORDING TO "VEJA", BOTELHO PRESUMED THAT THE SUM OF DOLS 940,000 INCLUDED "THE COMPANY'S EXPENDITURES ON TECHNICAL PERSONNEL SENT TO BRAZIL TO SUPERVISE THE TRANSACTION, AND ON LAWYERS WHO PREPARED THE CONTRACT." "JORNAL DO BRASIL" QUOTED A LOCKHEED OFFICIAL (VENDEVENTER) AS TELLING THE SENATE SUBCOMMITTEE ON MNC'S THAT THE "BRAZILIAN OPERATION" WAS ONE OF THE "CLEANEST" IN THE WORLD.

3. "VEJA" COMMENTED THAT IT WOULD BE "CONVENIENT" IF THE GOB WERE TO LEARN EXACTLY HOW LOCKHEED SPENT THE DOLS 940,000. THE WEEKLY MAGAZINE OBSERVED THAT SUCH INFORMATION IS NOT INACCESSIBLE -- THE USG IS PREPARED TO FURNISH IT IF BRAZIL'S FOREIGN MINISTRY SIGNS AN AGREEMENT WITH THE USG. "VEJA" CLAIMS A STATE DEPT. SOURCE SAID IT HAS RECEIVED NO GOB REQUEST FOR INFORMATION.

4. "VEJA" QUOTED A STATE DEPT. SOURCE AS SAYING "THE AMERICAN GOVERNMENT HAS NO KNOWLEDGE OF INFORMATION ABOUT ("QUESTIONABLE PAYMENTS) IN BRAZIL."

5. THE MAGAZINE CLAIMED ALSO THAT ALTHOUGH THE COMMERCE DEPT. AND THE BRAZILIAN FOREIGN MINISTRY DENIED THAT SECRETARY RICHARDSON AND FONMIN SILVEIRA HAD "MENTIONED THE NAME OF LOCKHEED" IN THEIR DISCUSSIONS, A STATE DEPT. SOURCE "ADMITTED" TO VEJA CORRESPONDENT ROBERTO GARCIA THAT "RICHARDSON COULD HAVE SPOKEN SPECIFICALLY ABOUT THE LOCKHEED CASE..."

6. COMMENT. "VEJA'S" TEXT DOES NOT DEFINE THE TERM "LOCKHEED CASE", BUT THE CLEAR IMPLICATION IS THAT THE TERM REFERS TO PAYMENTS IN BRAZIL. THE EMBASSY PRESUMES THE "VEJA" CLAIM IN PARA 5 IF INCONSISTENT WITH REF B, PARA 1 (C). THE EMBASSY HAS RECEIVED NO QUESTIONS FROM JOURNALISTS SINCE THE RECEIPT OF REF B.
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7. ACTION REQUESTED. EMBASSY WOULD APPRECIATE ANY INFORMATION ON (A) THE SOURCE OF THE DOLS 940,000 FIGURE, AND (B) WHETHER ANY RELATED INFORMATION FROM THE SAME SOURCE IS IN THE PUBLIC DOMAIN.
JOHNSON

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